

VOLUNTEER RETURN PREPARATION PROGRAM
Hurricane Katrina Emergency Tax Relief Act (KETRA) of 2005

The IRS Mission

Provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all.



Confidentiality Statement:

All tax information you receive from taxpayers in your VOLUNTEER capacity is strictly confidential and should not, under any circumstances, be disclosed to unauthorized individuals.

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Notes to Users

Thank you for being a critical part of the Volunteer Return Preparation Program (VRPP) of the Internal Revenue Service and its partners. Free programs such as Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) provide important services for over two million low-income and elderly people who need tax preparation assistance. We appreciate the time you have chosen to commit to help others with this complex task.

This training package provides hurricane general information with emphasis on the Katrina Emergency Tax Relief Act (KETRA) of 2005. KETRA contains special tax law provisions to help taxpayers recover financially from the impact of the disaster.

It consists of training slides, forms, examples, problems, and a test to assist in the training of VRPP preparers in the preparation of Katrina related tax returns. In addition, some outreach and out-of-scope information is provided for informational purposes.

In this training and reference package, you will find tools that enhance your interactions with Katrina displaced individuals, such as Form 13614K, Volunteer Return Preparation Program Hurricane Katrina Intake/Interview Sheet. The tools in this training package will help you provide high-quality tax preparation for the taxpayers who seek your assistance.

Curriculum and Certification

Curriculum

Introduction

Title I—Special Rules for use of Retirement Funds

Title II—Employment Relief

Title III—Charitable Giving Incentives

Title IV—Additional Relief Provisions

Title V— Emergency Requirement

Certification

The Treasury Inspector General for Tax Administration (TIGTA) review of 2004 found that VRPP returns were not always correctly prepared. The Internal Revenue Service Stakeholder Partnerships, Education and Communication (SPEC) chartered a design team of internal and external stakeholders to improve free tax preparation services in response to the TIGTA Audit.

Through this process, testing and certification became mandatory standards for all volunteer return preparers and quality reviewers. KETRA contains special tax law provisions that will assist taxpayers to recover financially from the impact of the Katrina disaster. It is comprehensive and complex, therefore, warrants additional testing and certification. The test consists of true/false and multiple choice questions.

The test consists of two segments. The volunteer must complete both segments for VRPP Katrina certification. The net effect – 20 objective questions must be answered at an overall 70% proficiency to complete VRPP Katrina certification.

Segment 1 (5 Points for each Question) Possible 50 Points 10 True/False.

Segment 2 (5 Points for each Question) Possible 50 Points 10 Multiple Choice.

The “Test Answer and Certification Sheet for KETRA Tax Law Training” for each volunteer within the testing package should be maintained by the site coordinators. In the event of a Site or Return Review, this sheet will serve as Katrina Tax Law certification for the volunteer tax preparer. Site coordinators should attach this sheet to the Form 13615, Volunteer Agreement, for future reference.

Training Strategy

This training is intended to educate volunteers helping taxpayers impacted by Hurricane Katrina. Training can be delivered by partner volunteer instructors, IRS instructors, or through self-instruction.

Scope - The training coordinator or instructor can tailor the training strategy to the needs of the volunteers, partners, and intended customers.

Based upon the experience of the volunteers, the training coordinator or instructor will determine who will require this additional training and certification and how the training will be administrated.

The suggested time to complete this course is 4 hours. Training should be completed by SPEC employees by January 14, 2006, and by SPEC partners prior to the site opening date but no later than February 1, 2006.

Proof of Identity, Income, Etc.

A critical component of the intake process is confirming that the taxpayer has the required documentation and that he/she is the individual being serviced.

- **Confirm Taxpayer's Identity.** To confirm the identity of a Hurricane Katrina displaced individual, the taxpayer should provide some form of identification in order to receive tax preparation services. Acceptable proofs of identification can be any of the following:
 - Driver's License
 - Social Security Card
 - Social Security Administration verification letter
 - Checkbook with disaster area address
 - Voter's registration card
 - Pay stubs
 - W-2 from prior year
 - Prior year tax return
 - State identification card
 - FEMA correspondence
 - FEMA check stub
 - FEMA Debit Card
 - EBT card
 - Utility bill from disaster area/Cablevision bill
 - Grocery receipts with disaster area address
 - Lay-a-way receipts
 - Department store receipts/bills
 - School identification cards
 - Report cards for dependents
 - Oral testimony from person taxpayer is presently residing
- **Review Income/Reporting Documents.** If taxpayers do not have a Form W-2, they should be encouraged to attempt contact with employers or former employers to secure copies, but if unable to obtain after reasonable attempts, they should use Form 4852, Substitute for Form W-2. Refer to Form 13614K, Record Reconstruction, Page 2, or the PowerPoint presentation, Pages 32-39 for more information.
- **Confirm Taxpayer Identification Number (TIN).** Each person listed on the taxpayer's return must be identified by a TIN. This includes the taxpayer, the taxpayer's spouse (if married) and any dependents claimed on the return. The

Taxpayer identification number (TIN) can be a Social Security Number (SSN), Adoptive Tax Identification Number (ATIN), or Individual Tax Identification Number (ITIN).

Social Security Administration verification letter is sufficient document for Hurricane impacted taxpayers.

The taxpayer's return cannot be prepared without the above information. If the taxpayer does not have the required proofs of identification, income reporting documents, and taxpayer identification number(s), a more probing interview is required to complete an accurate return. Taxpayers who have all information required on the Form 4852, including the employer's federal identification number, are eligible to electronically file individual income tax returns. Those who do not have access to the employer's federal identification number should still use Form 4852 but will be required to file a paper return.

Additional Disaster Relief Resources

Disaster Referral Service Guide

A new tool for partners and IRS employees will be available in early January 2006. The Disaster Referral Service Guide is designed for volunteer preparers and IRS employees to aid them in assisting taxpayers impacted by hurricane disasters. The guide consolidates hurricane-related information on IRS.gov into one web location and it is categorized by specific tax services.

Each tax service includes options to address the taxpayer's specific needs. Options range from internal and external web-based links, toll-free telephone assistance, IRS Low-income Tax Clinics and Taxpayer Assistance Centers, as well as external source options.

Links included in the guide provide instructions that allow taxpayers to obtain prior year returns and transcripts, location of the walk-in sites, and casualty loss information, among other disaster-related categories.

Three versions of the guide are being produced—a web version that will be posted on IRS.gov and SERP, an off-line version downloadable from a CD and a paper version for our volunteer sites with limited computer access. Periodic updates will be provided as print and distribution information becomes available.

Publication 4492

IRS has a new publication in development. Publication 4492, Information for Taxpayers Affected by Hurricanes Katrina, Rita and Wilma, is scheduled to be posted to the Forms

and Publications' web site in late January. Advance orders will be direct-shipped according to the Quantity Needs Survey in February. Additional copies can be ordered using SPEC's order form, Form 2333V. This publication should be maintained at all VRPP sites assisting Katrina displaced individuals as reference material.

Other

IRS Disaster Assistance Hotline — 1-866-562-5227 (Monday-Friday from 7 a.m. to 10 p.m. local time)

[Hurricane Disaster Relief Information for Partners and Volunteers](#), view SPEC specific information by visiting our section of the IRS.gov website

[Help for Hurricane Victims](#) page on IRS.gov – Updated frequently as new information is available

[Help for Tax Professionals](#) page on IRS.gov – Updated frequently as new information is available.

[IRS Publication 2194, Disaster Losses Kit for Individuals](#) – Includes Publications 547 and 584

[IRS Publication 2194B, Disaster Losses Kit for Businesses](#) – Includes Publications 547 and 584B

Form 13614K

Form 13614K, Volunteer Return Preparation Program Hurricane Katrina Intake/Interview Sheet, was developed to assist with the intake/interview process. It will be used as an addendum to Form 13614, Volunteer Return Preparation Program Interview/Intake Sheet, to help screen and identify individuals who qualify for Hurricane Katrina tax benefits and to capture critical data to properly prepare tax returns for Hurricane Katrina displaced individuals.

Page 2 of this form contains a list of items needed to complete a tax return with a casualty loss and information that is needed for tax records reconstruction. It also provides telephone numbers and web sites where the taxpayer can get additional assistance. Therefore, if the taxpayer cannot be assisted at our VRPP site, he or she may take this form to a referred source option for assistance.

Form 13614K Pilot	Department of the Treasury – Internal Revenue Service Volunteer Return Preparation Program Hurricane Katrina Intake/Interview Sheet	OMB# Applied for
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Part I All Taxpayers Assisted

Instructions: This section will capture data to properly determine if an individual qualifies for any Hurricane Katrina tax benefits. It will be used by screeners, preparers, or others involved in the Volunteer Return Preparation Program (VRPP) for all taxpayers assisted.

1. HOUSING DISPLACED INDIVIDUALS		YES	NO	N/A	COMMENTS
1A	Did you house a Katrina displaced individual in your home in 2005? If yes , enter number of days in comments.				
1B	Was the displaced individual your dependent or spouse?				
2. GIFTS TO CHARITY					
2A	Did you make any cash charitable contributions between August 28, 2005 and December 31, 2005?				
2B	Do you have Katrina related charitable mileage?				
2C	If yes , do you have written records?				
3. HURRICANE KATRINA DISPLACED INDIVIDUALS					
3A	Were you displaced by Hurricane Katrina? (If yes , complete Part II of this form. If no , the form is complete.)				

Part II Hurricane Katrina Displaced Individuals Only

Instructions: This section is designed to capture critical data to properly prepare tax returns for Hurricane Katrina displaced individuals only. It will be used by screeners, preparers, or others involved in the return preparation process to quickly determine if a volunteer can assist the taxpayer or refer them to someone who has been trained to prepare casualty loss tax returns.

1. CORE DISASTER AREA					
1A	What State?				
1B	What County/Parish?				
2. RECORDS/INCOME		YES	NO	N/A	COMMENTS
2A	Do you have a copy of your 2004 Federal Income Tax Return?				
2B	Do you have your 2005 income and expenses? <i>i.e.</i> , W-2, 1099, 1098				
<i>(If no to Q. 2A or 2B, see Tax Record Reconstruction on reverse.)</i>					
3. EARNED INCOME CREDIT AND ADDITIONAL CHILD TAX CREDIT					
3A	Was your 2004 earned income greater than your 2005 earned income?				
4. RETIREMENT PLAN WITHDRAWALS					
4A	Did you receive a distribution from a qualified retirement plan, tax sheltered annuity, or IRA in 2005?				
5. PROPERTY					
5A	Did you experience a loss of personal or real property?				
5B	Did you receive any reimbursements?				
5C	Was the reimbursement greater than the property value? <i>(If yes, the VRPP site may be able to prepare the tax return.)</i> <i>(If no, give the taxpayer this intake sheet and refer them to the Casualty Loss Information on reverse.)</i>				

CASUALTY LOSS

Volunteers are not trained to prepare Casualty Loss Tax Returns

If you are able to provide any of the following information, it will assist the referred preparer in calculating your casualty loss: (Publication 2194, Disaster Losses Kit for Individuals, will assist you in compiling these items.)

- Complete list of personal and non-real estate items lost in the disaster.
- Copies of your Federal tax returns for the last three years, if available.
- If you claimed a casualty loss on your last year's return or any prior year return, a copy of the amended returns or any other documentation, if available.
- Insurance reimbursement documentation, if applicable.
- All types of Federal Emergency Management Agency's (FEMA) reimbursement documentation, if applicable.
- The fair market value of your home, real estate and other personal property before the casualty.
- Any contractor estimates and repairs or replacement costs to damaged property.

If you previously elected the standard deduction and will now be using a Schedule A to itemize your deductions to claim a casualty loss, you will also need copies of your prior state tax withholdings, real and personal property taxes, home mortgage interest and charitable contributions.

TAX RECORD RECONSTRUCTION

If you do not have a W-2 from each of your employers do the following:

1. Contact your employer for the W-2.
2. If you were unable to contact your employer you should complete a Form 4852, Substitute W-2. **Katrina displaced individuals are not required to wait until February 15th.** You will need the following:
 - a. Your employer's name and complete address, including zip code, employer identification number (if known - see prior year's Form W-2 if you worked for the same employer), and telephone number,
 - b. Your name, address, including zip code, social security number, and telephone number; and
 - c. An estimate of the wages you earned, the federal income tax withheld, and the period you worked for that employer. The estimate should be based on year-to-date information from your final pay stub or leave-and-earnings statement, if available.
3. For a Form 4852, Substitute W-2, call 1-866-562-5227 or visit www.irs.gov.

If you need information from your Prior Federal Tax Return:

1. Hurricane Katrina displaced individuals may call 1-866-562-5227 to receive a **transcript** of their 2004 Tax Returns via fax. You must remain on the line while the fax is being sent and be in the same location as the fax machine.
 - a. For proper identification you will be required to give your name, filing status, social security number, address, and answer two random questions concerning your status.
 - b. If you are not where the fax machine is located, a transcript of your tax return can be mailed to you if you provide your current address.
 - c. If unable to get a transcript by phone, you can file Form 4506 -T, Request for Transcript of Tax Return, to request transcript of your previous year's tax return. Write "Hurricane Katrina" in red letters across the top of the form to expedite processing.
2. **OR**, file Form 4506, Request for Copy of Tax Return, for an actual copy of return filed. Write "Hurricane Katrina" in red letters across the top of the form to expedite processing. The normal processing fee will be waived.

An alternative to options 1 and 2 above: You may go to the closest IRS Tax Assistance Center to receive a transcript of your prior year tax return and income information.

For IRS Taxpayer Assistance Center locations: Toll-Free 1-866-562-5227
Web page - www.irs.gov/localcontacts/index.html

For assistance with Reconstructing Bank Records:

Mississippi Department of Banking:

Toll-Free Nationwide 1-800-844-2499

Web Page - www.dbof.state.ms.us

Louisiana Office of Financial Institutions:

Toll-Free Nationwide 1-866-783-5530 or In-State 1-866-525-9414

Web Page - www.ofi.louisiana.gov

State of Alabama Banking Department:

1-334-242-3452

Web Page - www.bank.state.al.us

Savings Institutions- Office of Thrift Supervision:

Toll-Free Nationwide 1-800-842-6929

Web Page - www.ots.treas.gov

For assistance with State Tax Returns:

State of Louisiana-Department of Revenue:

1-225-219-7318 or 1-225-219-0102

Web page- www.rev.state.la.us

Mississippi State Tax Commission:

1-601-923-7000

Web Page - www.mstc.state.ms.us

Alabama Department of Revenue:

1-334-242-1099

Web Page - www.ador.state.al.us